

**KANSAS ATTORNEY GENERAL'S OFFICE  
ECONOMIC IMPACT STATEMENT**

K.A.R. 16-14-1, 16-14-2, 16-14-3, 16-14-4, 16-14-5, 16-14-6, 16-14-7, 16-14-8, and 16-14-9

**I. Summary of Regulations, Including Their Purposes.**

K.A.R. 16-14-1, 16-14-2, 16-14-3, 16-14-4, 16-14-5, 16-14-6, 16-14-7, 16-14-8, and 16-14-9 are new regulations implementing the Scrap metal theft reduction act ("Act"). The purpose of these new regulations is to establish the fees, application procedure, denial, suspension, and revocation procedure for the Act, following the passage of 2015 House Bill 2048. The cost of these regulations will be borne solely by applicants for licensure for registration pursuant to the scrap metal theft reduction act. The cost to each applicant for registration will be \$1,000 per scrap metal location, an amount allowed by HB 2048.

**II. Reason the Regulation is Required, Including Whether the Regulations are Mandated by Federal Law.**

The regulations are needed to instruct scrap metal dealers of the requirements to obtain a registration certificate and inform the public regarding the Act and the attorney general's administration of the Act. The regulations are not mandated by federal law, and therefore the regulations do not exceed the requirements of federal law.

**III. Anticipated Economic Impact upon the Kansas Attorney General's Office.**

The attorney general will review for completeness and accuracy each application and supporting documents submitted by an applicant seeking a scrap metal dealer's registration certificate. If an application is complete and contains accurate information, the attorney general will issue a scrap metal dealer's registration certificate. If the provided information is incorrect, the attorney may deny the application for registration. The attorney general will create and

maintain a publicly verifiable database for all Act registrants; collect all fees for initial and renewal applications; and may investigate any complaints regarding a registrant's compliance with the Act. These functions will involve at least one full time employee at an estimated cost of \$58,000 annually in total compensation. There may be initial costs associated with implementing the Act and with administering the Act if applicants or registrants request an administrative hearing on the attorney general's decision regarding their application or registration certificate.

#### **IV. Anticipated Financial Impact upon Other Governmental Agencies and upon Private Businesses or Individuals.**

The attorney general's office does not anticipate economic impact on other government agencies. Private businesses or individuals falling under the ambit of the Act will be required to pay a specified fee to process an application. The application fee will be \$1,000 for initial and renewal applications.

#### **V. Less Costly or Intrusive Methods Considered**

These regulations are the first regulations to be considered, as the Act first became effective July 1, 2015. The attorney general believes that the costs are set at the minimum amount necessary to implement and administer the Act while upholding the requirements of the Act.

#### **VI. Permanent Regulation Comment Period and Hearing**

The Attorney General will hold a comment period for the permanent regulations prior to the regulation hearing. The regulation hearing is anticipated to be held in October, 2015 at the Office of the Attorney General, 120 SW Tenth Avenue, Topeka, Kansas.